

Subject Premium Subsidy Program

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Overview

This bill requires the MNsure board to establish and administer a program to provide premium subsidies to eligible individuals who purchase qualified health plan coverage through MNsure. Persons purchasing a qualified health plan are eligible if they are Minnesota residents, not eligible to receive a premium tax credit, and are not enrolled in MA or MinnesotaCare.

Reasons why a person purchasing qualified health coverage through MNsure may not be eligible for a tax credit include: (1) the person's household income exceeds 400 percent of the federal poverty guidelines; or (2) the person is eligible for minimum essential coverage (this includes Medicare, Medicaid, Tricare, employer sponsored coverage that is affordable (individual does not pay more than 9.86 percent of income for employee-only coverage) and adequate (actuarial value is 60 percent or higher), and other specified types of coverage.

Summary

Section	Description
1	<p>Definitions.</p> <p>Defines the following terms: board, eligible individual, gross premium, health carrier, MNsure, net premium, premium subsidy, and qualified health plan.</p> <p>“Eligible individual” is defined as a Minnesota resident who is not eligible to receive an advance premium tax credit or a premium tax credit for a given month of coverage, is not enrolled in MA or MinnesotaCare, and has purchased a qualified plan through MNsure.</p> <p>“Premium subsidy” is defined as a rebate payment to discount the cost of insurance that is equal to 20 percent of the monthly gross premium paid for qualified health plan coverage that covers the individual, the individual's spouse, and dependents, and is excluded from any calculation when determining eligibility for a DHS program.</p>
2	<p>Payment to health carriers on behalf of eligible individuals.</p> <p>Subd. 1. Program established. Requires the board to establish and administer the premium subsidy program to help eligible individuals pay for qualified health</p>

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	<p>plan coverage through MNsure, in plan year 2020 and each subsequent plan year for which an appropriation is approved.</p>
	<p>Subd. 2. Administration. Requires MNsure to determine if an applicant is an eligible individual. For eligible individuals, requires MNsure to calculate the individual's premium subsidy, notify the relevant health carrier of the subsidy amount, and direct the health carrier to deduct the premium subsidy amount from the individual's gross premium, as a discount to the individual's qualified health plan premium.</p>
	<p>Subd. 3. Payments to health carriers. (a) Requires the board to make payments to health carriers equal to the amount of premium subsidy discounts provided, for those months for which eligible individuals paid the net premium amount to the health carrier. Requires payments to health carriers to be based on the premium subsidy provided to an eligible individual, regardless of the cost of coverage purchased.</p>
	<p>(b) Requires health carriers seeking reimbursement to submit an invoice and supporting information to the board.</p>
	<p>(c) States that the board shall consider health carriers as vendors (for purposes of agency prompt payment requirements), with each invoice representing the completed delivery of a service.</p>
	<p>Subd. 4. Data practices. States the data classifications for MNsure data apply to data on individuals applying for or receiving a premium subsidy (this has the effect of classifying the data as private data on individuals).</p>
	<p>Subd. 5. Data sharing. Allows the board to share or disseminate the data in subdivision 4 as provided under MNsure law on data sharing.</p>
3	<p>Appeals. Provides that individuals may appeal initial determinations and redeterminations of eligibility for, and the level of, premium subsidies. Requires the appeals to follow the procedures specified in Minnesota Rules.</p>
4	<p>Applicability of gross premium. States that the premium base for calculating applicable taxes on insurance premiums under chapter 297I (two percent of premiums for indemnity insurers and one percent for HMOs, community integrated service networks, and nonprofit health service plan corporations) shall be the gross premium.</p>

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5	<p>Appropriations.</p> <p>(a) Beginning in fiscal year 2020 and each fiscal year thereafter, appropriates from the health care access fund to the MNsure board an amount sufficient to pay premium assistance under section 2.</p> <p>(b) Appropriates an additional \$8,052,000 in fiscal year 2020 from the health care access fund to the board to administer the program. States that this appropriation is onetime.</p>
6	<p>Transfer.</p> <p>Requires the commissioner of commerce to transfer \$281,483,000 from the premium security plan account to the health care access fund, by August 30, 2020. States that this is a onetime transfer.</p>



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